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FEDERAL COMMUNICATIONS COMMISSION
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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of Petition of WorldCom, Inc. Pursuant to Section 252(e)(5) of the Communications Act for Preemption of the Jurisdiction of the Virginia State Corporation Commission Regarding Interconnection Disputes with Verizon Virginia Inc., and for Expedited Arbitration	)	CC Docket No 00-218
In the Matter of Petition of AT&T Communications of Virginia, Inc., Pursuant to Section 252(e)(5) of the Communications Act for Preemption of the Jurisdiction of the Virginia State Corporation Commission Regarding Interconnection Disputes with Verizon Virginia Inc., and for Expedited Arbitration	)	CC Docket No 00-251

VERIZON VIRGINIA INC.'S RESPONSE TO AT&T/WORLDCOM'S REBUTTAL TO VERIZON VA'S COMPLIANCE FILING

Verizon Virginia Inc. ("Verizon VA") responds to AT&T/WorldCom's criticisms of Verizon's methodology for weighting feature investment costs, discussed in paragraphs 11-20 of the Rebuttal Declaration of Michael Baranowski, attached to AT&T/WorldCom's November 18, 2003 Rebuttal Comments on Verizon VA's compliance filing. These claims, which were raised for the first time in AT&T/WorldCom's rebuttal filing, are beyond the scope of the issues to be addressed in response to the compliance filings, and are in any event incorrect.

As an initial matter, the Bureau made clear that in their rebuttals to a compliance filing, the parties were only to respond to "the specific changes [Verizon] makes to its studies to implement the changes required by [the] order." *Order* ¶ 695. The weighting methodology about which AT&T/WorldCom complain was not a "change required by [the] order" and in fact was not a change at all Rather, Verizon has consistently used this methodology from the time it filed its initial switching studies in this case. The arguments raised by Mr. Baranowski are not in any way specific to Verizon VA's compliance filing. Instead, they are criticisms of Verizon's underlying switching model. AT&T/WorldCom could have raised these criticisms at any point during this proceeding — but did not — and they are beyond the scope of the issues that can be raised for the first time here.

In any event, AT&T/WorldCom's claims also are wrong. In particular, Mr. Baranowski wrongly asserts that Verizon VA should have assumed that, if SCIS/IN did not model the costs for a feature for a particular type of switch, that the feature was in fact costless for that switch. Thus, he claims that in determining the weighted average investment cost for a feature, Verizon VA should include a zero cost for the percentage associated with the switch type(s) for which SCIS/IN does not have an algorithm for determining the cost. *See, e.g.,* Baranowski Decl ¶¶ 13-14 To take a simple example, if a carrier has equal percentages of switch types A, B, and C, and the available information indicates that the feature investment cost is $3 for switch types A and B, and there is no available information to determine the corresponding cost for switch type C, Mr Baranowski asserts that for switch type C, the feature should be treated as if it has a zero cost, which would mean that the average cost for that feature (for all switch types) is $2. But that makes no sense In many cases, although SCIS/IN does not include an algorithm to determine the cost of the particular feature for all three of the switch technologies, this does not mean that the feature itself is unavailable for those switches — or that it is without cost. In those cases, SCIS/IN uses other cost data it *does* have to determine the average feature cost. In particular, the average feature cost is determined by calculating the weighted average cost of the vendor switch outputs for which information was available.

It would make no sense to instead treat the cost of the features in connection with those switch technologies for which an algorithm was not available as zero, as Mr. Baranowski argues. That assumption is entirely arbitrary and will by definition lead to an understated average cost. Taking the example above, if the available information demonstrates that the feature costs $3 for the two switches for which the data is available, the far more reasonable approach is to conclude that the average cost for that feature for all three switch types is $3. Indeed, where a specific feature has no incremental cost, SCIS/IN produces a zero cost output.

Accordingly, the Bureau should reject AT&T/WorldCom's claims concerning the feature weighting methodology.

Submitted by

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Dated December 3, 2003

<u>CERTIFICATE OF SERVICE</u>

I do hereby certify that true and accurate copies of the foregoing, Verizon Virginia Inc 's Response to AT&T/WorldCom's Rebuttal to Verizon VA's Compliance Filing. were served by hand delivery via courier this 3rd day of December, 2003, to:

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